Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1 (currently amended). A method of illuminating a backlit display, said method comprising the step of spatially varying the luminance of a light source illuminating a plurality of displayed pixels in response to a plurality of intensity values of said pixels and varying the transmittance of a light valve of said display in a non-binary manner, wherein said light source is spatially displaced at a location at least partially directly beneath said plurality of pixels.

2 (previously presented). The method of claim 1 wherein the step of varying a luminance of a light source illuminating a displayed pixel in response to an intensity of value of said pixel comprises the steps of:
   (a)   determining a luminance of said pixel from said intensity value; and
   (b)   varying a luminance of said light source according to a relationship of said luminance of said pixel and said luminance of said light source.

3 (original). The method of claim 2 wherein said relationship of said luminance of said pixel and said luminance of said light source is a nonlinear relationship.

4 (original). The method of claim 2 wherein the step of determining a luminance of a pixel from an intensity value comprises the step of filtering an intensity value for a plurality of pixels.

5 (original). The method of claim 4 wherein said relationship of said luminance of said pixel and said luminance of said light source is a nonlinear relationship.

6 (original). The method of claim 4 further comprising the step of sampling a filtered intensity value at a spatial coordinate corresponding to said light source.

7 (original). The method of claim 6 further comprising the step of rescaling a sample of said filtered intensity value to reflect a nonlinear relationship between said luminance of said light source and said intensity of said displayed pixel.

8 (original). The method of claim 2 wherein the step of varying a luminance of said light source according to a relationship of said luminance of said pixel and said luminance of said light source comprises the steps of:

(a) operating said light source at substantially a maximum luminance if a luminance of at least one displayed pixel exceeds a threshold luminance; and

(b) otherwise, attenuating said luminance of said light source according to a relationship of said luminance of said light source and a luminance of a plurality of pixels.

9 (original). The method of claim 8 wherein the step of attenuating a luminance of a light source according to a relationship of said luminance of said light source and a luminance of a plurality of pixels comprises the step of attenuating said luminance of said light source according to a relationship of said luminance of said light source and a mean luminance of said plurality of pixels.

10 (original). The method of claim 9 wherein the step of attenuating a luminance of a light source illuminating a pixel comprises the step of attenuating a luminance of a plurality of light sources illuminating a plurality of pixels comprising a frame in a sequence of video frames.

11 (original). The method of claim 10 wherein the step of attenuating a luminance of a plurality of light sources illuminating a plurality of pixels comprising a frame in a sequence of video frames comprises the step of attenuating said luminance of said light sources for a subset of frames of said sequence, said subset including less than all said frames of said sequence.

12 (original). The method of claim 9 wherein said plurality of pixels comprises at least two
    contiguous pixels.

13 (original). The method of claim 1 wherein the step of varying a luminance of a light source
    illuminating a displayed pixel comprises the step of varying a luminance of a plurality of light
    sources illuminating a plurality of displayed pixels substantially comprising a frame in a
    sequence of video frames.

14 (original). The method of claim 13 wherein the step of varying a luminance of a plurality of
    light sources illuminating a plurality of pixels substantially comprising a frame in a sequence
    of video frames comprises the step of varying said luminance of said light sources for less
    than all frames of said sequence.

Claims 15-18 (canceled).

19 (currently amended). A backlit display comprising:
    (a)   a plurality of light source elements;
    (b)   a light valve arranged for non-binary locally modulated transmittance of light from
        said light source elements, said non-binary locally modulated transmittance being
        responsive to a data value of an image pixel; and
    (c)   a light source controller to spatially modulate a luminance output of a light source
        element according to a relationship of said luminance output and said data value
        of said image pixel, wherein said light source is spatially displaced at a location
        at least partially beneath said plurality of pixels.

20 (original). The apparatus of claim 19 wherein said light source controller comprises:
    (a)   a data processing unit to determine a power to be applied to a light source
        element to cause said light source element to emit a luminance output satisfying
        said to said data value of said image pixel; and
    (b)   a light element driver to apply said power to said light source element.

21 (previously presented). A backlight for a display comprising a plurality of light sources, at least one light source being controllable to output light at a luminance level independent of a luminance level of light output by another of said light sources and a light valve varying the transmittance of light from said display in a non-binary manner.

22 (original). The apparatus of claim 21 further comprising a light source driver controlling said luminance level of light output by said at least one light source according to a relationship of said luminance level of said output light and a data value for a displayed pixel.

23 (previously presented). The apparatus of claim 1 wherein said light source includes a plurality of light emitting diodes.

24 (previously presented). The apparatus of claim 23 wherein each of said light emitting diodes is associated with a different said pixel.

25 (previously presented). The apparatus of claim 23 wherein each of said light emitting diodes receives a different said intensity value.